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No. 127

In the

Supreme Court of the United States

OCTOBER TERM, 1968

THE BASSICK COMPANY and
STEWART-WARNER CORPORATION,
Petitioners,

vs.

DAVID R. BLAKE and
EVER-LEVEL GLIDES, INC.,
Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

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PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

Petitioners pray that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Seventh Circuit in its case No. 16213.

OPINIONS BELOW

The opinion of the Court of Appeals is reported at 157 USPQ 71 and reprinted as Appendix A to this petition (1a, *infra*).

The opinion of the District Court for the Northern District of Illinois is reported at 262 F.Supp. 910 and reprinted as Appendix C to this petition (14a, *infra*); the District Court's findings of fact and conclusions of law and its final judgment appear at pages 39 through

85 of the appendix to respondents' brief in the Court of Appeals.*

JURISDICTION

The judgment of the Court of Appeals, printed as Appendix B to this petition (12a, *infra*), was entered on February 26, 1968. This Court has jurisdiction under 28 U.S.C. §§ 1254(1) and 2101(c).

QUESTION PRESENTED

An important question of public policy regarding administrative actions of government agencies is presented by this case. In its broadest sense, that question is:

> Where an administrative agency of the United States government has taken the specific action sought in a petition which contains a misrepresentation regarding a material fact, is the administrative action valid nonetheless? Or should it be held void upon proof of the misrepresentation in a subsequent judicial proceeding?

The particular governmental agency involved in this case is the Patent Office, and the specific question presented by the evidence introduced in the District Court is:

> Where a license retroactively authorizing the filing of a foreign patent application has been granted by the Patent Office upon a sworn statement which contains misrepresentations regarding a fact material to

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* Hereafter, the appendix to respondents' brief in the Court of Appeals is referred to by the abbreviation "R.A.", the appendix to petitioners' brief in that Court is referred to by the abbreviation "P.A.", petitioners' exhibit book is referred to by the abbreviation "P. Ex. Bk." (followed by the designation of the particular exhibit referred to), petitioners are referred to as "Bassick" or "Stewart-Warner", and respondents are referred to as "Blake" or "Ever-Level".

the Office's determination as to whether the foreign application had been filed "inadvertently" within the meaning of the applicable statute, is the retroactive license valid even so? Or, upon proof of the misrepresentation, should the license have been held void—and the U.S. patent corresponding to the foreign application also held invalid, as issued without the license required by the Patent Act?

STATUTORY PROVISIONS INVOLVED

The statutory provisions involved in this case are §§ 184 and 185 of the Patent Act (35 U.S.C. §§ 184 and 185), the pertinent parts of which provide:

"184. Filing of application in foreign country

Except when authorized by a license obtained from the Commissioner a person shall not file or cause or authorize to be filed in any foreign country prior to six months after filing in the United States an application for patent or for the registration of a utility model, industrial design, or model in respect of an invention made in this country . . . The license may be granted retroactively where an application has been inadvertently filed abroad and the application does not disclose an invention within the scope of section 181 of this title . . ."

"185. Patent barred for filing without license

Notwithstanding any other provisions of law any person, and his successors, assigns, or legal representatives, shall not receive a United States patent for an invention if that person, or his successors, assigns, or legal representatives shall, without procuring the license prescribed in section 184 of this title, have made, or consented to or assisted another's making, application in a foreign country for a patent or for the registration of a utility model, industrial design, or model in respect of the invention. A United States patent issued to such person, his successors, assigns, or legal representatives shall be invalid."

STATEMENT OF THE CASE

This is an action for infringement of Blake patent No. 2,704,663, covering a "Leveling Device" designed to eliminate furniture wobble caused by uneven floor conditions, with a counterclaim for infringement of a "Shock Absorber" patent acquired by Stewart-Warner after the suit had been filed (R.A. 2-5, 10-11, 248-250 and 260-265). The District Court had jurisdiction of both the original complaint and counterclaim under the patent laws of the United States and the provisions of 28 U.S.C. §§ 1338 and 1400.

Since the oath in the patent application which matured into Blake's U.S. patent contained a reference to a corresponding British application filed almost three months before the filing date of the U.S. application, counsel for petitioners naturally undertook to ascertain whether Blake had obtained the license required by § 184 of the Patent Act, authorizing the filing of his British application. Eventually, it was ascertained that Blake had *not* obtained such a license prior to the issuance of his patent or the institution of this action; it was also established that Blake had no regard for the sanctity of the oath, but would tell any story he thought helpful to his case and change his testimony to suit the exigenci s of the moment.

Blake's Story On His Pre-Trial Deposition

When Blake's first deposition was taken, shortly after the filing of this action, he gave the following testimony about the filing of his British application:

> "Q. Did you file a counterpart of the patent in suit, Defendant's Deposition Exhibit 1, in Great Britain?
>
> "A. Yes.

"Q. Did you participate with your attorney in the prosecution of that British counterpart?

"A. Only very loosely. I mean, he handled it. In fact, I think he referred it to a British attorney. He sent the papers there.

* * * * *

"Q. Do you recall why you filed this application in Great Britain on April 26, 1948, prior to your filing of the application which matured into the patent in suit, Defendant's Deposition Exhibit 1, on July 24, 1948?

"A. I don't recall the reason for that. The patent attorney handled it. I told him I wanted patents in both the United States and Great Britain, and he—I am not skilled in these matters, and I was unaware, actually, that this was filed prior. I don't recall any reason.

* * * * *

"Q. And you instructed your patent attorney to file this application, did you not?

"A. Yes" (P.A. 477-479).

In their answer to the complaint in this action, Bassick and Stewart-Warner accordingly pleaded that the Blake patent was invalid because Blake had filed his British application without first obtaining a license from the Commissioner of Patents, and because a retroactive license had not been obtained during the pendency of Blake's corresponding U.S. application (R.A. 7-8).

At the time this defense was asserted, Blake had not, in fact, obtained a license authorizing the filing of his British application, and his U.S. patent was—at the very least—in a state of quasi-invalidity for that reason. After

the defense had been asserted, however, Blake undertook to save his patent by filing a petition in the Patent Office, requesting that he be granted a retroactive license.

Blake's Story To The Patent Office

Since § 184 of the Patent Act authorized the issuance of a retroactive license only upon a showing that the foreign application sought to be licensed had been "inadvertently filed", and Blake apparently realized that he would have no basis for claiming that his British application had been "inadvertently filed" if its filing had been handled by his U.S. attorney—as he had testified at his pre-trial deposition, he told an entirely different story about the filing of his British application in the affidavit filed in support of his petition for a retroactive license (P.A. 368-371).

To begin with, Blake swore that he had *not* employed an attorney to file his British application, but had prepared the provisional specification himself and mailed it directly to the British Patent Office in London (P.A. 368). Specifically, Blake's affidavit said:

> "I did not employ an attorney for that purpose but instead prepared a British provisional specification myself, without any drawings, which I then mailed directly to the British Patent Office, in London, England . . ." (P.A. 368).

Blake also swore that he had no knowledge of the existence of any requirement for a license to file the British application, stating that he was not himself an attorney, and had not consulted with an attorney or anyone else be-

fore filing the British application. As Blake phrased it in his affidavit:

> "At the time I filed the provisional British specification on April 26, 1948 I had no knowledge of the existence of any requirements with respect to the procurement in advance from the U.S. Patent Office of a license to file. I was not an attorney and I did not consult with any attorney or anyone else before filing the provisional British specification . . ." (P.A. 370).

Finally, Blake swore that Mr. Farley—the attorney who prepared his U.S. application—did not know about the British application at the time the U.S. application was filed. Thus, Blake's affidavit stated:

> "Mr. Farley did not know of and had had nothing to do with the filing of either the provisional British specification or the complete British specification. On April 25, 1950 Mr. Farley at my request took over the prosecution of the British application and concluded the same" (P.A. 370).

In making these sworn statements, Blake completely repudiated the testimony he had previously given at his pre-trial deposition—when he did not realize the reasons for the questions put to him regarding the handling of his British application or the significance of his answers attributing both the preparation and filing of that application to his U.S. attorney.

And in swearing that Farley, the attorney who filed his U.S. application on July 24, 1948, "did not know of . . . the provisional British specification" until April, 1950, Blake obviously overlooked the specific reference to the British application contained in the combined oath, power of attorney and petition executed by him and

filed by Farley as the last page of Blake's U.S. application. (This reference to Blake's British application is clearly shown in the oath, power of attorney and petition in the U.S. application reproduced on the opposite page.)

Since the U.S. application prepared by Farley referred to Blake's earlier British application by its filing date, it is clear that Farley *did* "know of" Blake's British application when he filed the U.S. case.

Further objective proof that Farley had knowledge of Blake's earlier British application at the time he filed the corresponding U.S. application is provided by the following side-by-side comparison of portions of the British provisional specification (which Blake told the Patent Office he prepared and filed himself and of which —Blake said—Farley had no knowledge) and corresponding portions of the U.S. application (admittedly prepared and filed by Farley), which shows virtual identity between them (in this comparison, the minor differences in language are shown in italics, so that the Court can see at a glance how trivial the differences are):

Excerpts from British provisional specification (P. Ex. Bk., Ex. 24-T)	Excerpts from U.S. application (P. Ex. Bk., Ex. P)
Each of these devices, which *are* called "levelers", is made up of a metal cup or cylinder closed at the bottom, a piston and a piston rod working in the cylinder, an upper head on the cylinder through which the piston rod passes, a	*This form of the invention,* which *is* called *a* "leveler", is made up of a metal cup or cylinder *1* closed at the bottom, a piston *2* and a piston rod *3* working in the cylinder, an upper head *or cover 4* on the cylinder through which the piston

APPLICATION FOR UNITED STATES PATENT

SOLE

Oath, Power of Attorney, and Petition

Being duly sworn, I, DAVID R. BLAKE

depose and say that I am a citizen of the United States of America residing at 11415 Nottingham Road, Detroit, Michigan; that I have read the foregoing specification and claims and I verily believe I am the original, first, and sole inventor of the invention or discovery in LEVELING DEVICE

described and claimed therein; that I do not know and do not believe that this invention was ever known or used before my invention or discovery thereof, or patented or described in any printed publication in any country before my invention or discovery thereof, or more than one year prior to this application, or in public use or on sale in the United States for more than one year prior to this application; that this invention or discovery has not been patented in any country foreign to the United States on an application filed by me or my legal representatives or assigns more than twelve months before this application; and that no application for patent on this invention or discovery has been filed by me or my representatives or assigns in any country foreign to the United States, except as follows:

Great Britain, filed April 26, 1948.

And I hereby appoint I. JOSEPH FARLEY, 1854 Buhl Building, Detroit, Michigan.

Registration No. 11634; my attorney or agent with full power of substitution and revocation, to prosecute this application and to transact all business in the Patent Office connected therewith.

Wherefore I pray that Letters Patent be granted to me for the invention or discovery described and claimed in the foregoing specification and claims, and I hereby subscribe my name to the foregoing specifications and claims, oath, power of attorney, and this petition, this

23rd day of July, 1948

Inventor David (First name) R (Middle initial) Blake (Last name)

Post Office Address 11415 Nottingham Road, Detroit 24, Michigan

State of MICHIGAN
County of WAYNE } SS

Before me personally appeared DAVID R. BLAKE

to me known to be the person described in the above application for patent, who signed the foregoing instrument in my presence, and made oath before me to the allegations set forth therein as being under oath, on the day and year aforesaid.

[SEAL]

Muriel M. Harsch
Notary Public

MURIEL M. HARSCH
Notary Public, Wayne County, Michigan
My Commission Expires Feb. 14, 1951

8

This form may be executed only when attached to a complete application as the last page thereof

40589

British provisional	U.S. application
stop plate fixed to the *piston rod above the cylinder and prevented from moving down on* the piston rod *by a shoulder on it,* a coil spring between the bottom of the cylinder and the piston, *and* a filling of bouncing putty in the cylinder (P. 1, lines 19-29).	rod passes, a stop plate *5* fixed to the *upper end of* the piston rod, a coil spring *6* between the bottom of the cylinder and the piston, a filling *7* of bouncing putty in the cylinder, . . . (P. 2, lines 12-17).
The cup or cylinder may be pressed from sheet metal with the bottom and sides in one piece, and the edge where the bottom joins the sides *should be* rounded to make it easier to slide the furniture on the floor. The upper part of the slides is *joggled* out to form a shoulder *on the inside* on which the *cylinder head* rests, and the *cylinder head* is held in place by having the extreme upper edge or rim *of* the sides bent over on to it (P. 1, lines 35-44).	The cup or cylinder may be pressed from sheet metal with the bottom and sides in one piece, and the edge *1-a* where the bottom joins the side *is* rounded to make it easier to slide the furniture on the floor. The upper part of the side is *jogged* out to form a shoulder *1-b* on which the *cover 4* rests, and the *cover* is held in place by having the extreme upper edge or rim *1-c on* the side bent over onto it (P. 2, lines 20-25).
The cylinder head is a flat disc of metal with a hole in its center to let the piston rod pass through, and it may be made of hardened steel so that it will not become bent when it is being fastened to the cylinder (P. 1, lines 45-49).	The cylinder head *or cover 4* is a flat disc of metal with a hole in its center to let the piston rod pass through, and it may be made of hardened steel so that it will not become bent when it is being fastened to the cylinder (P. 2, lines 26-29).

British provisional

The piston and *the part of* the piston rod *below the shoulder on the rod* may be in one piece turned from a solid bar. This bar may be round, *in which case* it should be a little smaller in diameter than the inside of the cylinder *so that* there will be a small clearance between the piston and cylinder for the bouncing putty to flow through from one side of the piston to the other. Better than this, however, is to make the piston from a bar that is not round *and that is a nice sliding fit in the cylinder.* The piston will then be square, hexagonal, *octagonal,* or round with three or more notches or flat plaees, depending on the shape of the bar, and *the* corners will touch the sides of the cylinder and guide the piston while the spaces between the corners will let the bouncing putty flow through (P. 1, lines 50-68).

The upper part of the piston rod may be a headless nail *or screw* with its blunt end pressed into a hole in the *top of the lower part* of the piston rod.

U.S. application

The piston and the piston rod may be in one piece turned from a solid bar. This bar may be round *and* it should be a little smaller in diameter than the inside of the cylinder. *The piston will then be round, as shown at 11 in Fig. 4, and* there will be a small clearance between the piston and cylinder for the bouncing putty to flow through from one side of the piston to the other. *Perhaps* better than this, however, is to make the piston from a bar that is not round. Depending on the shape of the bar, the piston will then be square, hexagonal, or round with three or more notches or flat places, *as shown at 2, 12 and 13 in Fig. 4.,* and *dimensioned so that its* corners will touch the sides of the cylinder and guide the piston while the spaces between the corners will let the bouncing putty flow through (P. 3, lines 1-12).

The nail 8 on the end of the piston rod may be a headless nail with its blunt end pressed into a hole in the *end* of the piston rod.

British provisional	U.S. application
The stop plate is a flat disc pressed on to the nail *or screw that forms the upper part of the piston rod,* and its under side bears on the *shoulder formed by the* upper end *of the lower part* of the piston rod (P. 1, lines 69-77).	The stop plate *5* is a flat disc pressed onto the nail, and its underside bears on the upper end of the piston rod (P. 3, lines 15-18).
The spring is a spiral compression spring. It is like an ordinary helical spring, but each of its coils is enough smaller than the coil below it so that one coil can fit inside of the next. This lets the entire spring be pressed flat into the thickness of one coil, and the piston can move down further than if the coils piled up on top of each other (P. 1, lines 78-85).	The spring *6* is a spiral compression spring. It is like an ordinary helical spring, but each of its coils is enough smaller than the coil below it so that one coil can fit inside of the next. This lets the entire spring *to* be pressed flat into the thickness of one coil, and the piston can move down further than if the coils piled up on top of each other (P. 3, 19-23).
The space in the cylinder that is not taken up by the piston, piston rod and spring is filled with *a substance called* "bouncing putty". Bouncing putty is the solid elastic product of a reaction between a silicone oil and a compound of boron such as, for example, boric acid, with the addition of a filler, such *a* lithopone (P. 1, line 90, through p. 2, line 3).	The space in the cylinder that is not taken up by the piston, piston rod and spring is filled *or almost filled* with bouncing putty *7*. *Chemically,* bouncing putty is the solid elastic product of a reaction between a silicone oil and a compound of boron, such as, for example, boric acid, with the addition of a filler, such *as* lithopone (P. 3, line 28, through p. 4, line 2).

British provisional

It has a *peculiar* combination of the properties of a liquid and a solid. On the one hand, it will deform slowly under the slightest force, like a liquid, and there is no limit to how far it will deform, as long as the force applied to it is not great enough and applied suddenly enough to break it. A lump of it placed in a container will spread out and, in a few hours, cover the bottom of the container like a liquid. On the other hand, a lump of it will bounce *just* like a rubber ball (P. 2, lines 3-14).

The invention has been described above in the best form in which it has been made to date, but it is obvious that changes and perhaps even improvements can be made while still keeping the invention described. For example, the

U.S. application

Bouncing putty has a *unique* combination of the properties of a liquid and a solid. On the one hand, it will deform slowly under the slightest force, like a *very viscous* liquid, and there is no limit to how far it will deform, as long as the force applied to it is not great enough and applied suddenly enough to break it. A lump of it placed in a container will spread out *under merely its own weight* and in a few hours cover the bottom of the container like a liquid. On the other hand, *it will not flow quickly; it resists sudden forces as if it were a solid. Its rigidity under sudden forces is like that of rubber rather than like that of steel, and a round* lump of it will bounce like a rubber ball (P. 1, lines 11-20).

The invention has been described above in the best form in which it has been made to date, but it is obvious that changes and perhaps even improvements can be made while still keeping the invention described. For example, the

British provisional	U.S. application
spring might be put between the cylinder head and the stop plate, or the piston rod might be made in one piece riveted to the piston (P. 2, lines 38-46).	spring might be put between the cylinder head and the stop plate, or the piston rod *and nail* might be made in one piece riveted to the piston (P. 4, lines 21-26).

The Patent Office failed to catch either (1) Blake's patently false statement that Farley did not know of the earlier British application at the time he filed Blake's corresponding U.S. application or (2) the virtual identity between the texts of the two applications. And Blake, of course, when he filed his petition and supporting affidavit, did not tell the Patent Office he had previously sworn that the filing of the British application had been handled by his U.S. attorney, in a deposition taken only seven months earlier (P. A. 477-479). Even so, Blake's initial petition for a retroactive license was refused, on the ground that Blake's statement that he lacked knowledge of the existence of any requirement for such a license was inconsistent with the printed notice contained on the filing receipt of his U.S. application (P. A. 384-386).

Blake thereupon filed a renewed petition and supplemental affidavit, in which he stated that his attorneys had not given him the filing receipts for either his U.S. application corresponding to the British application or an earlier U.S. application he had filed, and the Patent Office then issued a retroactive license authorizing the filing of the British application (P.A. 372-378).

Blake's Story At The Trial

In view of the diametrically opposite stories which Blake had told at his pre-trial deposition and in his af-

fidavits filed in the Patent Office, he was asked again at the trial about the preparation and filing of his British patent application; on that occasion, he said:

> "*I am not certain.* But I think I prepared the original provisional specification" (P.A. 127; emphasis supplied).

Thus, Blake—who had exhibited no uncertainty whatever at his pre-trial deposition or in his affidavit filed in the Patent Office—told a different story on each of the three occasions when he made sworn statements about the preparation and filing of his British application.

The District Court's Decision

In its Decision on Merits, the District Court noted that one of the defenses asserted by Bassick and Stewart-Warner was Blake's filing of a corresponding foreign application earlier than six months after the filing of his U.S. application (Appendix C, 17a, *infra*). Commenting on this defense, the District Court stated:

> "Defendants maintain that Congressional legislative history refutes the conclusion that an issued patent could be validated by a retroactively procured license, such as Blake received. Furthermore, Blake's license is invalid because he procured it by misrepresentation. They point out that 'bouncing putty' never appeared in the original United States (abandoned) application, but first appeared in the British provisional specification. Blake stated to the Patent Office that he had prepared and filed his British provisional specification without the aid of an attorney, but his deposition reveals that his patent attorney prepared it, therefore his license is void, and consequently the patent is invalid (35 U.S.C. § 185)" (Appendix C, 24a, *infra*).

Without any further elaboration of its views on this issue, the District Court concluded:

> "Despite the many seemingly plausible legal arguments advanced by the defendants to refute validity and infringement by them of the Blake patent . . . the court is convinced that the Blake patent is valid and infringed. . ." (Appendix C, 25a, *infra*).

The findings of fact prepared by Blake's counsel and signed by the District Court are equally barren of any serious consideration or resolution of the conflicting sworn statements made by Blake regarding the preparation and filing of his British patent application. They simply recount the filing and denial of petitioners' summary judgment motions based on Blake's failure to obtain a retroactive license authorizing the filing of his British application prior to the issuance of his U.S. patent, and find that the retroactive license was duly and legally issued—without even mentioning the further defense that the license was invalid because procured through a factual misrepresentation to the Patent Office.*

Significantly, the District Court did not find that Blake had *not* made a factual misrepresentation when he swore that the attorney who filed his U.S. application "did not know of" his earlier British application. Plainly precluded from making such a finding by the express reference to that British application on the last page of the U.S. application prepared and filed by Farley, the District Court simply held the license had been duly and legally

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* In this petition, Bassick and Stewart-Warner do not contend that the District Court erred in its construction of 35 U.S.C. §§ 184 and 185, but they insist that a license procured through a factual misrepresentation should be held void, upon proof of the misrepresentation in a subsequent judicial proceeding.

issued *despite* Blake's obvious misrepresentation to the Patent Office.

The Court Of Appeals' Decision

Like the District Court, the Court of Appeals also refused to say that Blake had not made a factual misrepresentation to the Patent Office, in his affidavit in support of the petition for a retroactive license under 35 U.S.C. § 184, but merely said that it saw "no reason to upset the district court's conclusion that the retroactive license was valid" (Appendix A, 5a, *infra*).

The Court of Appeals did set forth its views about the many lengthy passages that are completely or substantially identical in *both* the British provisional specification (which Blake said he prepared and filed himself and of which—Blake told the Patent Office—his U.S. attorney, Farley, had no knowledge) and the U.S. application (admittedly prepared and filed by Farley) in the following remarkable footnote:

> "We are not persuaded that the excerpts in parallel claims from the provisional British application and the United States application in 1948 displayed in Stewart-Warner's reply brief show that Blake's sworn statements to the Patent Office and his testimony are 'unbelievable fabrications.' Blake testified that he prepared the provisional British application, and his attorney helped him prepare the United States application. The latter, in general, has a more professional like appearance with number references, presumably to figures, in specifications. The provisional has no reference to numbers and is phrased less concisely. This appears to be consistent with the Blake explanation" (Appendix A, 5a, *infra*).

There is, of course, a much better explanation than that given by Blake for the use of number references in the

U.S. application and their absence from the British provisional specification: As the Court of Appeals observed, the numbers refer to figures in the drawings—*and the British provisional specification contained no drawings.* Thus, the quoted footnote from the Court of Appeals' opinion reflects either a rather startling naiveté or a stubborn unwillingness to recognize the real significance of the identical and substantially identical passages in Blake's U.S. and British applications—i.e., that Blake was lying when he swore to the Patent Office that "Mr. Farley did not know of . . . the provisional British Specification."

The opinion of the Court of Appeals also contains the interesting—though completely unfounded—statement that the District Court:

> ". . . accepted Blake's story that he lacked knowledge of Sec. 184, that he prepared the *provisional specification* for the British application himself and that he hired a United States engineer to complete the specification; that his United States attorney did not know of the British patent when filing the 1948 patent application and he probably assumed that the British patent application was based on a disclosure in the 1946 Blake application, and that Blake did not receive the receipts, for the 1946 and 1948 applications, containing notice of the Sec. 184 provision . . ." (Appendix A, 5a, *infra;* emphasis in original).

The District Court's Decision on Merits contains absolutely no support for this statement; indeed, even the findings of fact prepared by Blake's counsel fail to support it (Appendix C, 14a-26a, *infra;* R.A. 39-85).

There is, moreover, nothing to indicate that Blake would have been granted a retroactive license upon the basis of the representations alluded to by the Court of Appeals

in the foregoing quotation from its opinion, if the Patent Office had been aware that Blake's U.S. attorney, Farley, had knowledge of Blake's British application.

On the contrary, the decision of the Commissioner of Patents in *In re Application filed November 22, 1952* (Comr. Pats., 1967), 153 USPQ 410, denying the request for a retroactive license filed by the owner of the Frediani patent held invalid by the Court of Appeals for the Seventh Circuit in *Beckman Instruments, Inc.* v. *Coleman Instruments, Inc.* (1964), 338 F.2d 573, clearly indicates that the Patent Office would have *refused* to grant a retroactive license to Blake if it had realized that his U.S. attorney knew about Blake's prior British application, yet failed to apply for a license retroactively authorizing its filing.

REASONS FOR GRANTING THE WRIT

In condoning the procurement of a vital administrative action through factual misrepresentations and perjury, the decision of the Court of Appeals in this case has so far departed from the accepted and usual course of judicial proceedings—and has so far sanctioned such a departure by the District Court—as to call for the exercise of this Court's power of supervision.

There is, moreover, a fundamental conflict between (a) the Court of Appeals' decision in this case, holding that the retroactive license which Blake obtained from the Patent Office upon a petition and supporting affidavit containing factual misrepresentations was nonetheless duly and legally issued, and (b) this Court's decisions holding patents invalid or enforceable because of unclean hands or misrepresentations on the part of the patentee

or patent owner (*Keystone Driller Co.* v. *General Excavator Co.* (1933), 290 U.S. 240, *Hazel-Atlas Glass Co.* v. *Hartford-Empire Co.* (1944), 322 U.S. 238, *Precision Instrument Manufacturing Co.* v. *Automotive Maintenance Machinery Co.* (1945), 324 U.S. 806, and *Walker Process Equipment, Inc.* v. *Food Machinery & Chemical Corp.* (1965), 382 U.S. 172).

I. When An Administrative Determination Has Been Made Upon An Ex Parte Petition Or Sworn Statement Which Contains Misrepresentations Regarding A Material Fact, The Administrative Action Should Be Held Void Upon Proof Of The Misrepresentation In An Adversary Proceeding.

The fundamental question presented by this petition involves principles that are applicable to ex parte administrative actions of all governmental agencies—not just decisions made by the Patent Office upon petitions for the grant of a retroactive license under § 184 of the Patent Act.

Throughout the United States, on every working day, scores of government agencies make thousands of such administrative decisions upon the basis of ex parte representations which are—and must be—accepted at face value, because the agencies have neither the facilities nor the time to check the representations for factual accuracy.

Under these circumstances, elementary principles of justice demand that a federal court in which an administrative decision has been challenged should set the decision aside as void, upon proof that it was obtained through a petition or a sworn statement containing misrepresentations regarding a fact material to the decision.

In this case, however, the Court of Appeals—like the District Court—refused to hold that the retroactive license

issued to Blake by the Patent Office was void, even though Blake's misrepresentations and perjury regarding a material fact were conclusively proved by the following evidence:

1. The express reference to Blake's British application on the last page of the U.S. application prepared by Farley, which established that Farley *did* know of the British application at the time he filed Blake's U.S. application—contrary to Blake's sworn statement to the Patent Office.

2. The appearance of the many identical and substantially identical passages in the texts of both Blake's British provisional specification and his U.S. application, which cannot be explained away as a mere coincidence, and unquestionably shows that Farley not only knew about the British application, but had access to the text of the provisional specification at the time he prepared and filed the U.S. application—again contrary to Blake's sworn statement to the Patent Office.

3. The testimony given by Blake at his pre-trial deposition, when he was unaware that his patent might be held invalid because he had not obtained the retroactive license required by § 184 of the Patent Act; on that occasion, Blake had no conceivable reason to lie and he obviously told the truth when he swore that the preparation and filing of the British application had been handled by his U.S. attorney; his subsequent sworn statements that he had prepared and filed the British application himself and that his U.S. attorney knew nothing about it, made in his affidavit to the Patent Office, were obviously motivated by Blake's self-interest in presenting

the Patent Office with a story that would provide some basis for an administrative determination that his British application had been inadvertently filed abroad.

In holding that the retroactive license obtained by Blake had been duly and legally issued, in the face of the foregoing evidence, the Court of Appeals—like the District Court—in effect condoned the misrepresentations which Blake made to the Patent Office and placed its stamp of approval on his perjury.

Such a decision by any federal court is, to say the least, not calculated to increase respect for the law in this country, at a time when respect for law and order is sorely needed. Indeed, if federal judges are permitted to close their eyes to misrepresentations and perjury because they believe a particular statute is unwise or has outlived its usefulness, how can any segment of society be expected to obey laws which its members consider to be unjust or objectionable?

The litigants who come before the federal courts have a right to expect that laws duly enacted by the Congress will be enforced and applied by those courts.*

When the lower federal courts arbitrarily refuse to enforce and apply duly enacted laws, this Court has a duty to exercise its supervisory authority to require them to do so.

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* The administrative agencies charged with the execution of such laws also have a right to expect that ex parte petitions filed with them will not contain misrepresentations and that their decisions will not be regarded as binding or valid if they are shown to have been procured upon misrepresentations.

The Court should discharge that duty—and, at the same time, insure that the Court of Appeals' decision will not become a precedent for holding administrative rulings procured through misrepresentations valid nonetheless—by granting this petition for certiorari and reversing the decision of the Court of Appeals.

II. The Decision Of The Court Of Appeals Is In Conflict With Prior Decisions Of This Court Holding Patents Invalid Or Unenforceable Because Of A Patentee's Misrepresentations Or Unclean Hands.

Over the past 35 years, a series of decisions by this Court has made it clear that patents tainted by unclean hands or misrepresentations on the part of the patentee or patent owner should be held invalid or unenforceable, upon proof of the unclean hands or misrepresentation in a subsequent judicial proceeding (*Keystone Driller Co.* v. *General Excavator Co.* (1933), 290 U.S. 240, *Hazel-Atlas Glass Co.* v. *Hartford-Empire Co.* (1944), 322 U.S. 238, *Precision Instrument Manufacturing Co.* v. *Automotive Maintenance Machinery Co.* (1945), 324 U.S. 806, and *Walker Process Equipment, Inc.* v. *Food Machinery & Chemical Corp.* (1965), 382 U.S. 172).

The rationale of these decisions was succinctly expressed by the Court in the *Hazel-Atlas* case:

> "The public welfare demands that the agencies of public justice be not so impotent that they must always be mute and helpless victims of deception and fraud" (322 U.S. 246).

In this case, as in *Hazel-Atlas,* the evidence "demands the exercise of the historic power of equity to set aside [Blake's] fraudulently begotten" retroactive license and invalidate the Blake patent under the provisions of § 185 of the Patent Act.

Both the Court of Appeals and the District Court, however, refused to exercise this equitable power—though neither of them would find or hold that Blake had *not* made a factual misrepresentation to the Patent Office when he swore that the attorney who filed his U.S. application "did not know of" Blake's earlier British application, and the evidence before them conclusively established that Blake's attorney actually had such knowledge.

Nor can this case be distinguished from the controlling decisions of this Court on the ground that Blake's misrepresentations were not made in connection with the prosecution of his U.S. patent application, but only after the patent had been issued and in connection with a petition for a statutory license required to keep the patent from being held invalid.

The decision in *Minnesota Mining & Manufacturing Co.* v. *Norton Company* (N.D. Ohio, 1967), 153 USPQ 449, makes this clear; it holds that the issuance of a retroactive license by the Patent Office under § 184 of the Patent Act is subject to judicial review, and states that the reviewing court should declare such a license invalid unless the patentee presents proof of true inadvertence in the unlicensed filing of his foreign application (153 USPQ 450).

At the trial of this case, Blake did not—and could not—present such proof; the retroactive license granted to him should accordingly have been held invalid, as a matter of law, and the Blake patent itself also held invalid under the plain language of § 185 of the Patent Act, for the lack of a valid license authorizing the filing of the corresponding British application.

The same decision—a holding that both Blake's retroactive license and U.S. patent are invalid—was also re-

quired by the equitable doctrine of unclean hands on which this Court has repeatedly held patents invalid or unenforceable (*Keystone Driller Co.* v. *General Excavator Co.* (1933), 290 U.S. 240, *Hazel-Atlas Glass Co.* v. *Hartford-Empire Co.* (1944), 322 U.S. 238, *Precision Instrument Manufacturing Co.* v. *Automotive Maintenance Machinery Co.* (1945), 324 U.S. 806, and *Walker Process Equipment, Inc.* v. *Food Machinery & Chemical Corp.* (1965), 382 U.S. 172).

Thus, the petition for certiorari in this case should also be granted because the Court of Appeals' decision is in conflict with the controlling decisions of this Court regarding the significance of misrepresentations to the Patent Office and unclean hands on the part of a patentee.

Respectfully submitted;

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APPENDIX A

Opinion of the Court of Appeals

IN THE

UNITED STATES COURT OF APPEALS

FOR THE SEVENTH CIRCUIT

Nos. 16213, 16214, 16215

SEPTEMBER TERM, 1967 SEPTEMBER SESSION, 1967

Nos. 16213 and 16215

DAVID R. BLAKE, an individual, and EVER-LEVEL GLIDES, INC., a corporation,

Plaintiffs-Appellees (Cross-Appellants),

v.

THE BASSICK COMPANY, a corporation, and STEWART-WARNER CORP., a corporation,

Defendants-Appellants (Cross-Appellees).

No. 16214

STEWART-WARNER CORP., a corporation,

Plaintiff-Appellee,

v.

AMERICAN SEATING COMPANY, a corporation,

Defendant-Appellant.

Appeals from the United States District Court for the Northern District of Illinois, Eastern Division.

February 26, 1968

Before KILEY, SWYGERT and FAIRCHILD, *Circuit Judges.*

KILEY, *Circuit Judge*. Plaintiffs Blake and Ever-Level Glides, Inc. (Ever-Level) sued defendant The Bassick Company (Bassick) for infringement of the Blake patent No. 2,704,663, and Stewart-Warner Corporation joined as a co-defendant. Bassick and Stewart-Warner then sued American Seating Company (American) and filed a counterclaim against Blake and Ever-Level, charging in both proceedings infringement of Stewart-Warner's Wasdell patent No. 2,503,143. The several proceedings were consolidated for trial and the trial resulted in judgment of validity and infringement in favor of Blake and Ever-Level against Bassick and Stewart-Warner,[1] and judgments of invalidity and non-infringement against Bassick and Stewart-Warner in their suit against American and on their counterclaim against Blake and Ever-Level.[2] Three separate appeals are taken from the proceedings below. We affirm in each appeal.

Both the Blake patent and the accused Stewart-Warner device are levelers designed to be attached to the legs of tables and chairs to prevent them from wobbling on uneven floors. The Blake patent works by means of a piston contained in a metal cup covered by a plate with a hole in it. A rod extends from the piston through the hole in the plate, and is attached to the furniture leg. The piston rests inside the metal cup which is filled with a substance called "bouncing putty." Bouncing putty is a plastic like substance which does not contract when subjected to sudden pressure but will slowly flow around the piston when the piston is subjected to a steady pressure and therefore will cause the piston to lower. A spring is attached to the bottom of the metal cup in order to force extension of the bottom of the cup into contact with a low spot in the floor. The rising and lowering of the piston due to the flow of the putty automatically adjusts the length of the furniture leg so as to keep all four legs in contact with the floor and prevent wobbling.

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[1] The court referred to a Master the question of the amount of damages suffered by Blake and Ever-Level.

[2] We will refer in this opinion to Bassick and Stewart-Warner as "Stewart-Warner," since joint briefs are filed in their behalf. We will refer to Blake and Ever-Level as "Blake," for the same reason.

The accused Stewart-Warner device works in essentially the same way except that instead of bouncing putty, Stewart-Warner uses unvulcanized silicone rubber, and instead of an inside spring reaching between the piston and the bottom of the metal cup, Stewart-Warner uses an exterior spring reaching from the top of the metal cup to table leg attachment means.

The Wasdell patent relied on by Stewart-Warner in its counterclaim is an automotive shock absorber which uses a piston cylinder and an unvulcanized elastomer as a means to cushion shock.

No. 16213

In appeal No. 16213 Stewart-Warner seeks to reverse the trial court's decision that the Blake patent is valid and is infringed by the defendant's device. The Blake cross-appeal seeks attorneys' fees incurred in defending against the counter-claim asserted by Stewart-Warner for infringement of the Wasdell patent, and treble damages for the infringement by Stewart-Warner of the Blake leveler. Blake asserts that the counterclaim was brought in bad faith and that the infringement of the Blake patent was willful.

Validity

Blake filed an application in England on April 26, 1948, for a patent covering his invention. This was about three months before he filed his application with the United States Patent Office, July 24, 1948,[3] and consequently to escape invalidity under 35 U.S.C. Sec. 186, Blake needed a "license . . . granted retroactively" for inadvertence under Sec. 184.[4] A retroactive license was issued to

[3] Blake's original application for a patent filed in 1946 was abandoned after the July, 1948, application was filed.

[4] "Except when authorized by a license obtained from the Commissioner a person shall not file or cause or authorize to be filed in any foreign country prior to six months after filing in the United States an application for patent . . . in respect of an invention made in this country. . . . The license may be granted retroactively where an application has been inadvertently filed abroad and the application does not disclose an invention within the scope of section 181 of this title."

Blake by the Patent Office. Stewart-Warner moved for summary judgment of invalidity under Sec. 186 on the ground that the retroactive license was obtained by misrepresentations to the Patent Office. It contends the court's denial of the motion was error.

The Sec. 186 point was originally raised in the Stewart-Warner answer to plaintiff's complaint. Blake at that time had not obtained a license, but after Stewart-Warner raised the point Blake filed an application for the retroactive license. The application stated that Blake had prepared the British patent application without the aid of a lawyer and was not aware of the license requirement. The license was initially denied because the affidavit filed with the license application did not explain why Blake did not know of the Sec. 184 license requirement since notice of the requirement appeared on the July 1946 and 1948 patent application receipts which Blake had presumably received. Blake filed a second affidavit which satisfied the Patent Office that neither receipt had been given to him by the attorney who had prepared the applications. The retroactive license then issued.

Stewart-Warner argues that Blake made false statements to the Patent Office in the license affidavit. It contends this is shown by different versions of the British filing given by Blake in his pre-trial deposition, in his license application, and in his trial testimony. Stewart-Warner insists that Blake falsely represented to the Patent Office that his attorney did not know of or prepare the British application, and that had this been known, the retroactive license would not have issued.

Stewart-Warner argues that Blake stated at a pre-trial deposition that Blake's attorney had prepared the British application and that this establishes that his contrary statements in his license affidavit were false. Stewart-Warner also points out that Blake showed some uncertainty in his testimony at trial, although he told essentially the same story there as he had in his affidavit.

At trial Blake was cross-examined with repect to the inconsistencies between his earlier deposition and his

license affidavit. The district court found that the retroactive license was "duly and legally" obtained. The court accepted Blake's story that he lacked knowledge of Sec. 184, that he prepared the *provisional specification* for the British application himself and that he hired a United States engineer to complete the specification; that his United States attorney did not know of the British patent when filing the 1948 patent application and he probably assumed that the British patent application was based on a disclosure in the 1946 Blake application, and that Blake did not receive the receipts, for the 1946 and 1948 applications, containing notice of the Sec. 184 provision. This question was briefed in the district court, and we see no reason to upset the district court's conclusion that the retroactive license was valid.[5]

Stewart-Warner also argues that Blake's patent is void by reason of a transaction between Blake and Rhodes, an engineer, in 1946, which it is claimed constituted a public use more than one year prior to the filing of Blake's patent application.

The court found that Rhodes' use of the patented device was experimental and not a sale. There is ample support for the finding. It is clear that the shipping to Rhodes of a single set of levelers had a double purpose, to establish the use of the trademark Levelmatic by shipping the devices in a box labeled with that name from Michigan to Pennsylvania; and for Rhodes, Blake's friend and adviser, to keep the device so that Blake could consult him about problems connected with preparing it for public use and commercial sales. There is no room for an inference that any demonstration by Rhodes "for people who came into his office" was other than ex-

[5] We are not persuaded that the excerpts in parallel claims from the provisional British application and the United States application in 1948 displayed in Stewart-Warner's reply brief show that Blake's sworn statements to the Patent Office and his testimony are "unbelievable fabrications." Blake testified that he prepared the provisional British application, and his attorney helped him prepare the United States application. The latter, in general, has a more professional like appearance with number references, presumably to figures, in specifications. The provisional has no reference to numbers and is phrased less concisely. This appears to be consistent with the Blake explanation.

perimental or that the mere shipment was a sale. Blake testified the device was not ready for sale until August, 1947, when commercial sales were first authorized by him.

The district court could not reasonably have thought that the Rhodes demonstrations were a covert commercial exploitation or that Blake's motive in the transaction was to exploit the invention to gain an advantage over competitors, under rules announced in *Koehring Co. v. National Automatic Tool Co.*, 362 F.2d 100 (7th Cir. 1966). The facts here justify the conclusion that defendants did not establish this defense. *Devex Corp.* v. *General Motors Corp.*, 321 F.2d 234, 239 (7th Cir. 1963).

Infringement

Stewart-Warner also argues that the trial judge's finding of infringement is clearly erroneous. We agree that the Blake claims do not read directly on the accused device. The spring in the Stewart-Warner device is external to the "dash pot" or container, while the spring in the Blake device is "between the bottom of the cylinder and the piston." The finding that the language of claims 1 and 2 of the Blake patent read directly on the Stewart-Warner spring is therefore clearly erroneous.

However, we do not consider clearly erroneous the court's finding that the accused device is the equivalent of the Blake device. The spring in the Stewart-Warner device is clearly the equivalent of the spring in Blake, despite the difference in its position. The district court concluded that the filler used in the accused device is the equivalent of the bouncing putty revealed in the Blake claims. If this finding was justified, the finding of infringement was proper, because assuming the filler is substantially the same, plainly the accused device operates substantially the same way, and achieves substantially the same result by use of substantially the same means as does the patent device. *Hunt v. Armour & Co.*, 185 F.2d 722, 728.

The essential properties of bouncing putty which enable it to fulfill its function in the Blake device are those of

resisting a sudden force and of deforming slowly to permit the movement of the piston under application of a steady force. These properties allow the device to adjust to an uneven floor by gradually extending the leg of the table to reach an uneven surface, while not reacting to sudden pressures.

Stewart-Warner argues that its filler does not have the solid and liquid properties of Blake's bouncing putty, and that for this reason there can be no equivalency. Blake's expert's, and we think even Stewart-Warner's expert's, testimony is to the contrary. Both substances have the same vital properties which permit their use in leveling devices. We think the entire evidence amply supports the finding of equivalency. *Graver Tank v. Linde Air Prod. Co.*, 339 U.S. 605, 607.

We see no merit in the contention that file wrapper estoppel precludes application of the doctrine of equivalents. Blake's original patent application called for the use or argano-siloxane but this application was rejected as unpatentable over prior art. He amended his claims to call for "a mass of bouncing putty," the only filler that would work in his device. His application on which the claim in suit issued stated that "it may be that other substances exist or may be discovered that have some or enough of the properties of the particular bouncing putty described to be used in its place." The court found that the Stewart-Warner filler was unavailable until 1952. It has the necessary properties for use in Blake's leveler and Blake is therefore not estopped from asserting its equivalency.

Nos. 16214 and 16215

Blake cross-appealed, No. 16215, from the judgment below in so far as it concluded that Stewart-Warner's infringement was not willful, and that the Stewart-Warner counter-claim was not vexatious. Blake sought treble damages for willful infringement and allowance of reasonable attorneys' fees for defending against the "vexatious" counter-claim for infringement of the Wasdell patent. American's appeal, No. 16214, is grounded on the same

claims of error, and the Blake and American briefs are consolidated on these points.

The district court's written decision on the merits contains 253 findings of fact and 33 conclusions of law. The district court originally found that the Stewart-Warner actions were brought in bad faith and the infringement of the Blake patent was willful. Subsequently the court on motion of Stewart-Warner eliminated those findings, stating that it had not intended to find willful and wanton infringement or to award treble damages and attorneys' fees.

The awarding of treble damages for willful and wanton infringement and reasonable attorneys' fees lay within the district court's discretion, *Union Carbide v. Graver Tank*, 282 F.2d 653, 673, and is vulnerable only to a charge of abuse of that discretion. In our opinion, Blake and American have not carried their burden of persuasion in this court. We have agreed with Stewart-Warner that their device did not read directly upon the Blake claims. We cannot agree with Blake, therefore, that Stewart-Warner copied the Blake device. Neither can we say that the court should have decided differently in light of the evidence of Stewart-Warner's original interest in a Blake license, its decision to develop its own device or instructions to engineers to avoid infringing Blake's invention, and its proceeding with marketing of its device on the advice of counsel that it did not infringe the Blake patent.

Blake and American argue that the district court should have allowed attorneys' fees because of Stewart-Warner's "vexatious" counterclaim and suit for infringement of the Wasdell patent. While this contention is arguable, we do not believe that the district court abused its discretion in refusing to award the amount of the fees to Blake. In the Patent Office file and in the testimony below there are many references to the Blake device as a shock absorber or having the capacity to absorb or avoid shock, and Blake himself testified that "to a degree" he would call his device a shock absorber. Although the district court found several reasons for deciding that the Blake

device did not infringe the Wasdell patent, the court expressly stated he had no intention of awarding attorneys' fees.

For the reasons given, the judgments are affirmed.

SWYGERT, *Circuit Judge,* dissenting.

I dissent from that portion of the majority opinion that denies the plaintiffs David R. Blake and Ever-Level Glides, Inc. and the defendant American Seating Company attorney fees for the vexatious and bad faith charge of infringement of the Wasdell patent advanced by Stewart-Warner.

The action by the plaintiffs for infringement of the Blake patent was filed on March 26, 1962. On June 13, 1962 Bassick answered the complaint. The Wasdell patent was purchased by Stewart-Warner on September 21, 1962. Two months after the purchase of the Wasdell patent, Bassick and Stewart-Warner filed a complaint and counterclaim alleging that the Wasdell patent, an invention directed to automotive shock absorbers, was infringed by the furniture levelers ("shock absorbing devices") of Blake, Ever-Level, and American Seating.

After first agreeing to adopt the findings and conclusions of Blake, Ever-Level, and American Seating that the charge of infringement based on the Wasdell patent was brought in bad faith and that an award of attorneys' fees was in order, the district judge subsequently amended his decision saying that he had "no intention . . . to award . . . attorneys' fees, and the adoption of the plaintiffs' findings in respect thereto was inadvertent." In my opinion, this action was erroneous and an abuse of discretion.

Despite his change of position, the district judge made the following relevant findings pointing to the many differences between the Wasdell shock absorber and the Blake leveler:

> An automotive shock absorber has always functioned and does modernly function to limit or "snub" re-

bound in the automobile chassis springs. The movable piston [of a shock absorber] is intended to be operated in opposite directions during a compression stroke and an expansion stroke with the filling medium in the shock absorber offering minimum resistance to the piston during the compression stroke and maximum resistance to the piston during the expansion stroke for the purpose of snubbing rebound in the automobile chassis springs. As a prerequisite to any proper functioning of the shock absorbers of Wasdell it is essential that the pistons be capable at all times to move in both directions within the cylinder and that the devices are not "bottomed out" in order to remain functional. The [furniture] levelers in question including the Bassick leveler are quite slow in operation requiring minutes rather than seconds to respond to forces applied to the levelers. The accused . . . leveler[s] is [are] intended to be fully compressed or "bottomed out" at least at one time or another during their operational use and within their specified ranges of operation while still remaining fully functional and operable to carry out its [their] intended purpose. The SS-91 filling material used by counter-defendants cannot be successfully used in the shock absorber devices of Wasdell. By reason of the property of the SE-IOOU, an unvulcanized elastomer, of resisting a suddenly applied force, such material will not function properly in a shock absorber of the Wasdell type.

The levelers of counter-defendants do not meet the requirement of claim 1 of the Wasdell patent to the effect that the chambers and means of communication in such levelers are completely filled by the filling material. Wasdell directs his invention solely to shock absorbers for vehicular use and neither suggests use of any of the disclosed forms of shock absorbers as a self-adjusting leveler nor suggests the modifications necessary to the disclosed shock absorbers to convert the same for functioning as self-adjusting furniture levelers. The accused . . . levelers are not shock absorbers.

In addition to these findings of substantial dissimilarity, there was a complete failure by Stewart-Warner to make any serious attempt to read the Wasdell patent on the accused levelers of the plaintiffs and defendant. Stewart-Warner and its subsidiary Bassick in effect admitted their insincere efforts to equate the levelers manufactured in conformity with the Blake patent and the teachings of the Wasdell patent by the following statement in their brief:

> The counterclaim and suit for infringement of the Wasdell patent were, of course, filed for the purpose of protecting Bassick and Stewart-Warner against the possibility that the District Court would hold bouncing putty and unvulcanized silicone rubber to be equivalent materials, despite their great differences. While Bassick and Stewart-Warner did not consider that the materials were in fact equivalent, they felt that if the Court should hold them to be equivalent, they should be entitled to rely on such a holding for the purpose of interpreting the claims of the Wasdell patent, to the same extent the Blake group could take advantage of such a holding in applying the claims of the Blake patent.

Moreover, counsel for Stewart-Warner and Bassick candidly admitted throughout the trial that the Wasdell patent was not infringed.

Stewart-Warner's "hedge," first in purchasing a patent concededly nonanologous to the patent in controversy after being charged with infringement and thereafter in launching a counter-offensive based on this belatedly acquired patent, was obviously vexatious and done solely to harass the opposing parties. A ploy of this kind ought to be discouraged by exacting a penalty—the award of attorneys' fees in defending an admittedly frivolous counter-action.

Consequently, I believe that Stewart-Warner's counterclaim and complaint based on alleged infringement of the Wasdell patent should have been characterized as "exceptional" cases under 35 U.S.C. § 285, allowing "reasonable attorney fees to the prevailing party."

APPENDIX B

Judgment of the Court of Appeals

IN THE
UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT

Chicago, Illinois 60604
Monday, February 26, 1968

Before
Hon. ROGER J. KILEY, *Circuit Judge*
Hon. LUTHER M. SWYGERT, *Circuit Judge*
Hon. THOMAS E. FAIRCHILD, *Circuit Judge*

DAVID R. BLAKE, an individual, and EVER-LEVEL GLIDES, INC., a corp.,
Plaintiffs-Appellees (Cross Appellants)

Nos. 16213, 16215 vs.

THE BASSICK COMPANY, a corp., and STEWART-WARNER CORP., a corp.,
Defendants-Appellants, (Cross Appellees)

STEWART-WARNER, a corp.,
Plaintiff-Appellee,

No. 16214 vs.

AMERICAN SEATING, a corp.,
Defendant-Appellant.

Appeals from the United States District Court for the Northern District of Illinois, Eastern Division

This cause came on to be heard on the transcript of the record from the United States District Court for the

Northern District of Illinois, Eastern Division, and was argued by counsel.

On consideration whereof, it is ordered and adjudged by this court that the judgments of the said District Court in this cause appealed from be, and the same are hereby, AFFIRMED, in accordance with the opinion of this Court filed this day.

It is further ordered and adjudged by this Court that the costs in this appeals be taxed as follows: ¼ against David R. Blake, Ever-Level Glides, Inc., and American Seating Company; and ¾ against The Bassick Company and Stewart-Warner Corp.

APPENDIX C

Opinion of the District Court

879 IN THE UNITED STATES DISTRICT COURT

* * (Caption—Civil Action No. 62 C 694 and Civil Action No. 62 C 2112) * *

DECISION ON MERITS
(Filed—January 19, 1967)

Although the instrumentality involved in the Blake patent, No. 2,704,663, suit is relatively simple, which fact might tend to obscure the degree of inventiveness involved, the court, after a careful review of the record, concludes that the Blake patent is both valid and infringed, and defendant Stewart-Warner's Wasdell patent, No. 2,503,143, is invalid and is not infringed.

880 Cause No. 62 C 2112 concerns the Wasdell patent, No. 2,503,143, owned by Stewart-Warner Corporation. The patent issued April 4, 1950, and, since the filing of this suit on March 26, 1962, was acquired by Stewart-Warner on September 21, 1962, and was also made the basis of it counterclaim filed November 21, 1962, in 62 C 694, charging infringement by Blake. Ever-Level Glides, Inc. and American Seating Company, and seeking an injunction and damages.

Blake and Ever-Level Glides, Inc. are plaintiffs in 62 C 694 involving the validity of the Blake patent and charging defendants Bassick Company and Stewart-Warner Corporation with infringement. Cause 62 C 2112, consolidated with 62 C 694, also was predicated on the Wasdell patent, and charged infringement by the American Seating Company, which was on June 24, 1954, granted restricted exclusive license of the Blake intention in the public seating field (such as schools and theatres). Ever-Level Glides, Inc. on April 6, 1960, was granted an exclusive license of the Blake device on furniture and equipment in the restaurant and cafeteria field.

The Bassick Company, since the institution of the proceedings, merged with the Stewart-Warner Corporation, the latter being the surviving corporation.

The application for the Blake patent was filed July 24, 1948, and issued March 22, 1955, containing two claims. The original application stated the only prior foreign application was in Great Britain, filed April 26, 1948, and the complete specification published November 28, 1951.

On January 2, 1963, Blake petitioned the Patent Of-
881 fice for a retroactive license under the statute, 35 U.S.C. § 184. It was denied April 4, 1963, and renewed May 15, 1963, and approved May 16, 1963.

A prior patent application by Blake had been filed October 24, 1946, and was abandoned, but during its pendency, the application, which resulted in the Blake patent, was filed.

Blake's invention lay in the combination of the unique qualities of a previously patented substance, "bouncing putty" or silicone putty, in a leveling device which is affixed to the legs of a table, and within a matter of minutes makes an adjustment to an uneven floor, resulting in stability of the table. It is used on restaurant tables, school tables, and the like. Blake's testimony, which is corroborated by documentary records, reveals that there was a real need for this device. Prior thereto had been only a manually adjustable device, which adjustment would need revision if the table were moved and the physical condition of the floor changed. After Blake began working on his levelers in 1940, he tried many fillers for his device, which were ineffective, before he conceived the idea of using bouncing putty, which he learned about in 1946. No use had been found by General Electric or Dow Corning Corporation for bouncing putty as of August 12, 1947.

A simple description of the function of the Blake patent and its component parts is found at the beginning of the patent specifications:

882 "This invention relates to leveling devices for furniture and the like, and its chief object is to provide simple automatic devices for preventing tables, cabinets, refrigerators and other articles and ma-

chines from rocking when they are resting on an uneven floor.

"One of the principal features of this invention is the simplicity of the devices. The essential elements of each device consist merely of a dashpot with a piston and a spring to extend it, some means like a screw or a nail for fixing the piston to the end of a table leg or other support, and a filling of a peculiar substance called 'bouncing putty' to keep the dashpot from compressing quickly under a load.

"Bouncing putty has a unique combination of the properties of a liquid and a solid. One [sic] the one hand, it will deform slowly under the slightest force, like a very viscous liquid, and there is no limit to how far it will deform, as long as the force applied to it is not great enough and applied suddenly enough to break it. A lump of it placed in a container will spread out under merely its own weight and in a few hours cover the bottom of the container like a liquid. On the other hand, it will not flow quickly; it resists sudden forces as if it were a solid. Its rigidity under sudden forces is like that of rubber rather than like that of steel, and a round lump if it will bounce like a rubber ball.

* * *

"Because bouncing putty has these properties [self adhesion and high surface tension], the dashpot can be made very simply with large clearances and with no check values, piston rings, packing glands, flexible diaphragms, bellows, or other seals to keep the filling from flowing past the piston too fast or from leaking out."

The Bassick devices use the substance SE-100U as a filling material, and the Blake and Ever-Level Glides, Inc., and the American Seating Company devices use the material SS-91, or a product derived therefrom, as filling material. All the filling materials are purchased from the General Electric Company.

It is asserted that the Blake leveling device has met with extraordinary public acceptance and in large measure had supplanted other types of glides.

883 Bassick raises the standard challenges to validity of the Blake patent—prior publication, prior patents, filing of a foreign application for the same invention earlier than six months after the United States application; inadequate disclosure by the patent; lack of true invention; estoppel to broad interpretation of claims because of narrowing of coverage in the Patent Office; invalidity of the retroactive license granted Blake on May 16, 1963, in respect to the foreign filing of the Blake invention in England; estoppel to enforce the Blake patent because of defendant's intervening rights by manufacture of the alleged infringing device prior to plaintiff's securing the retroactive license.

Plaintiffs negate infringement of the defendants' Wasdell patent in that it is adapted for conventional use in connection with the usual suspension springs of a vehicle or other device for the purpose of damping out undesirable vibrations set up by the flexing of such springs. Plaintiffs also advance the usual bases for challenging the validity of the Wasdell patent.

Plaintiffs insist Blake has produced a new and useful result (Minneapolis-Honeywell Regulator Co. v. Midwestern Instruments, Inc., 298 F.2d 36 (7th Cir. 1962)) entitled to the statutory presumption of validity (35 U.S.C. § 282; Anderson Company v. Sears Roebuck and Co., 265 F.2d 755 (7th Cir. 1959)), which presumption is enhanced when the application received detailed consideration in the Patent Office (Modern Products Supply Co. v. Drachenberg, 152 F.2d 203 (6th Cir. 1945)). It filled a long-felt need (Charles Peckat Mfg. Co. v. Jacobs, 178 F.2d 794 (7th Cir. 1949); Blaw-Knox Co. v. I. D. 884 Lain Co., 230 F.2d 373 (7th Cir. 1956)). Its commercial success attests to its inventiveness (Goodyear Tire & Rubber Co., Inc. v. Ray-O-Vac Company, 321 U.S. 275 (19944).

Plaintiffs maintain there has been no other successful automatic leveler either before or after Blake. He has been selling the device commercially since the middle of 1947. Over seven million levelers have been sold between 1950 and 1963 by Ever-Level Glides, Inc. after its license from Blake, who had sold a million of them before that.

American Seating Company has sold over five million glides under its license. Even Bassick and Stewart-Warner Corporation sought licenses under the Blake patent, American Seating Company sales of furniture with the levelers doubled in comparison to those without them.

Plaintiffs insist the shock absorber art is nonanalogous to the leveler art (Copeman Laboratories Co. v. General Plastics Corp., 149 F.2d 962 (7th Cir. 1945)).

Plaintiffs base their charge of willful and wanton infringement on the fact that Bassick, the leader in its field of manufacture, had no interest in automatic glides until its customers asked for one similar to Ever-Level's. Bassick got a sample of plaintiff's glide and in 1957 asked for a license under Blake's patent, and when advised that existing licenses covered restaurant and public seating it said it wasn't interested. Bassick assigned its engineers to seek a noninfringing device comparable to plaintiffs'. It continued such study until 1960 when its accused device was marketed. Defendants' years of work to circumvent plaintiffs' invention resulted in a device of only insignificant differences.

885 Plaintiffs refute infringement of claim 1 of the Wasdell patent because its filler, SS-91, is not an unvulcanized elastomer. Mere use of the dash pot does not make the plaintiffs' leveler a shock absorber, and SS-91 cannot be used in Wasdell's shock absorber device, which is directed solely to vehicular use. It was not one which could be bottomed, whereas plaintiffs' device contemplates the leveler remaining bottomed out during its operational use.

Plaintiffs cite there can be no infringement where the device operates in a different manner and with a different result (Electric Railroad Signal Co. v. Hall Railway Signal Co., 114 U.S. 87 (1885)). A shock absorber must be capable of instant response.

A patent on a plurality of elements cannot be infringed where there is an omission of any of the elements (Edwards v. Hychex Products, 171 F.2d 259 (7th Cir. 1948)). Plaintiffs' SS-91 is not technically an unvulcanized elastomer; it has never been vulcanized.

Further, the Wasdell patent requires the shock absorber to be completely filled whereas Blake's leveler is specifically not completely filled, except when bottomed out.

Plaintiffs assert invalidity of the Wasdell patent on the ground of its vagueness at the very point of asserted invention, i.e., "unvulcanized elastomer" in claim 1, as demonstrated by the inoperativeness of SE-100U in a court demonstration of a shock absorber. Blake's SS-91 is not technically an "unvulcanized elastomer." It cannot successfully be used in shock absorbers. Plain-
886 tiffs even seek an award of attorneys' fees on the basis the charge of infringement of the Wasdell patent is frivolous and vexatious (35 U.S.C. § 285). In fact, defendants in their counsel's opening statement said it was their position that neither patent was infringed.

Plaintiffs stress the nonanalogous character of the shock absorber art and the furniture leveler art. The former uses oil. Levelers do not function as shock absorbers and have never been advertised to do so.

Defendants state their basic position to be that "neither patent is infringed" but "if the Blake patent is accorded a measure of equivalence sufficient to encompass the accused Bassick structure, then the Stewart-Warner [Wasdell] patent, by that same measure of equivalence in reverse, encompasses the structures fabricated by the Blake group." Defendants continue, "Although Blake is the innovator of what appears to be the first commercially successful anti-wobble device, his glide operates in accordance with broad principles known in the prior art."

Defendants maintain that when they found they could get no license under plaintiffs' patent they set out to devise one of their own, and did so, and used three elements which Blake had told the Patent Office would not operate in a glide of his design, using unvulcanized silicone rubber, a strong supporting spring, and an O-ring seal.

Defendants insist that the glide described in the Blake patent was similar to that described in the German Patent No. 640,708 to Robkopf in 1936.

887 Defendants point out that Blake's invention resides in the use of the material, bouncing putty, and is limited thereto because both of the two patent claims expressly so limit the invention. Furthermore, bouncing putty, has a precise meaning with a particular chemical composition and flow characteristics. Defendants' SE-100U is not a bouncing putty and does not meet the chemical and physical requirements because it does not have the essential ingredient boron and does not have the free flow phenomena evidencing liquid flow characteristics, nor the sudden force shattering phenomena. The Blake patent claims limit a structure with a spring located inside the dash pot and not with the spring located on the outside of the dash pot chamber between the cover plate and a stop on the piston rod.

Defendants claim plaintiffs are not entitled to invoke the doctrine of equivalence inasmuch as they are limited by estoppel to a strict construction of the patent because of the history of the patent in the Patent Office (Lewis v. Avco Manufacturing Corp., 228 F.2d 919 (7th Cir. 1959); Exhibit Supply Co. v. Ace Patents Corp., 315 U.S. 126 (1942)). Once having narrowed the claims, the patentee is limited thereto (Ekco Products Co., Inc. v. Chicago Metallic Manufacturing Co., 347 F.2d 453 (7th Cir. 1965)). Of the 27 claims which Blake presented to the Patent Office but two were allowed, and both were limited to bouncing putty. In some of the other claims, materials such as Bassick's unvulcanized silicone rubber, SE-100U, were included, i.e., an "organo-siloxane in the plastic state," which is what SE-100U is. The allowed claims cannot be enlarged to include that which was in the 888 rejected claims (Schriber-Schroth Co. v. Cleveland Trust Co., et al., 311 U.S. 211 (1940)). Having disclaimed unvulcanized silicone rubbers he cannot now reclaim the organo-siloxanes. No broader interpretation should be given to the term "bouncing putty."

Defendants also claim a file wrapper estoppel with respect to the location of the spring in the Blake patent, that it must be confined within the chamber or dash pot, either below the piston and the bottom of the chamber or

the piston and the top of the chamber. Thus Bassick is precluded from a charge of infringement because its spring is outside the chamber. Several of the cancelled claims had the spring outside the chamber, so there is estoppel to so interpret the claims (Keating v. Stearnes Imperial Co., 347 F.2d 444 (7th Cir. 1965)). On the other hand, plaintiffs claim the location of the spring within the dash pot is not critical, and the statement of its position would have been eliminated if it had so understood it. Defendants insist their product cannot be within the Blake patent because it uses a strong spring, an unvulcanized silicone rubber and an O-ring seal to prevent leakage and these were precisely the things that Blake insisted could not work. They cite an affidavit filed in the Patent Office which states the spring must be very weak in proportion to the weight of the article with which the device is being used.

While the plaintiffs' and defendants' glides perform the same function, defendants insist they do not do it by means and modes of operation which are equivalent.
889 Defendants stress that unvulcanized silicone rubber is not the equivalent of bouncing putty. Defendants state the testimony proves that its SE-100U had only one of the three flow states of bouncing putty, i.e., visco-elastic plastic solid, regardless of the rate of of application of the applied force, and it does not act as a liquid when pressures are slowly applied, nor as a rigid solid under a suddenly applied force. It is proved by the fact that the bouncing putty filler needs no seal because it solidifies, but the defendants' material needs a seal and can be pumped out of the glide by the piston motion.

Defendants also point out that their strong springs are not the equivalent of Blake's weak springs, and that while the patent makes no reference to the strength of the springs, Blake represented to the Patent Office many times the need for weak springs so as to achieve full compression, which defendants' strong spring does not achieve. The strong spring strength so changes the operation of the glide that it precludes a determination of equivalence. None of the Bassick glides bottoms out

under the weight of a table. There is a significant relationship between the spring strength and the filler material used in the glides. The springs bear the load in the Bassick glide. In the Blake glide the sole function of the spring is to maintain the fourth glide elongated while the other three are bottomed out, so the spring need only be strong enough to force the bouncing putty around the piston from the one side to the other. The spring performs little, if any, load bearing function. The spring 890 performs the single primary function in the Blake implement of extending the device and the bouncing putty performs the shock resisting function. On the other hand, the Bassick spring supports the load, elongates the glide if no load is placed on it, and has the strength to push the piston through the filling medium which has no liquid state under slowly applied forces, so the spring has to have substantial strength. The spring also absorbs much of any sudden shock. The only function of the filling material in the Bassick glide is to dampen the movement of the piston.

Bassick eschews the value of the court demonstrations of the respective glides of plaintiffs and defendants, maintaining that the weights on defendants' table were not heavy enough to compress fully the Bassick glides because of the strength of the springs. While witness Richard M. Savage on deposition testified that the glides were all equivalent, his testimony refutes the conclusion because he stressed the difference in the filling materials, and the difference in the piston action. He made only simple tests of the glides themselves, not on a table. Defendants insist that while the glides perform substantially the same function, they lack the identity of means and mode of operation required in this circuit for a showing of equivalency (Independent Pneumatic Tool Co. v. Chicago Pneumatic Tool Co., 194 F.2d 945 (7th Cir. 1952)).

Blake's claims are directed to a combination of old elements, defendants say, which must be carefully scrutinized because of the improbability of finding invention in an assembly of old elements (Great Atlantic & Pacific

Tea Co. v. Supermarket Equipment Corp., 340 U.S. 147 (1950); Powder Power Tool Corp. v. Powder Actu-
891 ated Tool Co., 230 F.2d 409 (7th Cir. 1956)).

Defendants believe that if the Patent Office had had before it the additional prior art of the Herz patent No. 1,114,691, Hussman No. 2,359,917, Gerb No. 2,148,937 and Wasdell No. 2,503,143, they would not have granted the patent over those devices covered by the Robkopf German patent No. 640,708, the Bazley patent No. 2,460,116, and Henley patent No. 1,461,091. Each of the uncited patents shows a dash pot having a piston with large clearances and a viscous or plastic filling medium in the chamber, the precise features on which the Board of Appeals of the Patent Office based its finding of patentability..

Defendants further assert plaintiffs are in a dilemma as to "bouncing putty," they must give it a narrow construction in order to uphold their patent over the prior art, and they must give it a broad construction in order to encompass defendants' glides with the markedly different substance SE-100U as filler. Plaintiffs may not claim inventiveness by utilizing a new material upon its becoming commercially available (Ruben Condenser Co. et al. v. Aerovox Corp., 77 F.2d 266 (2nd Cir. 1935); Johnson & Johnson v. Kendall Co., 327 F.2d 391 (7th Cir. 1964)).

Another defense which defendants raise is that the Blake patent is invalid because of a prior public use. They cite the filing of the patent application on July 24, 1948, but state that he had theretofore mailed a set of glides on January 10, 1947, to a friend, to serve as a
basis for his trademark registration No. 502,308.
892 The friend used the glides on his chair and demonstrated the use to others, which is a public use under the decision of Egbert v. Lippmann, 104 U.S. 333 (1881), and Randolph v. Allis-Chalmers Manufacturing Co., 264 F.2d 533 (7th Cir. 1959)). Thereupon the patentee has the burden of proving the use was not a public use. Use for experimental purposes must be solely connected with that purpose (Hobbs v. Wisconsin Power & Light Co., 250 F.2d 100 (7th Cir. 1957)). (Plaintiffs claim this was

an experimental use.) Since Blake is not entitled to his earlier application date, and since the use was for purely social purposes and to establish his trademark rights, there was an invalidating public use more than a year prior to his application.

Defendants maintain that Congressional legislative history refutes the conclusion that an issued patent could be validated by a retroactively procured license, such as Blake received. Furthermore, Blake's license is invalid because he procured it by misrepresentation. They point out that "bouncing putty" never appeared in the original United States (abandoned) application, but first appeared in the British provisional specification. Blake stated to the Patent Office that he had prepared and filed his British provisional specification without the aid of an attorney, but his deposition reveals that his patent attorney prepared it, therefore his license is void, and consequently the patent is invalid (35 U.S.C. § 185).

Defendants believe they are protected by the equitable estoppel doctrine or intervening rights principle and the Blake patent is unenforceable as against them because they entered the field before the granting of a retro-
893 active license and would have no way of knowing that the patentee would be able to prove inadvertence in prior foreign filing (Sontag Chain Stores Co., Ltd., v. National Nut Company of California, 310 U.S. 281 (1940)).

Plaintiffs stress the comparison is not to be made of defendants' material SE-100U with plaintiffs' SS-91, but whether defendants' SE-100U can be considered a "bouncing putty" within the purview of the patent. The claims when read in the light of the specifications as permitted by law, disclose a putty-like substance which resists a suddenly applied force and deforms slowly in response to a steadily applied force. Since SE-100U was not in existence at the time of the patent, it was not then known, but nevertheless had the physical characteristics delimited by the patent which was meant to cover future compounds.

Plaintiffs insist they cannot be held to infringe claim 1 of the Wasdell patent because their material SS-91 is

not an unvulcanized elastomer. Neither could defendants' SE-100U be used in the Wasdell shock absorber. On the other hand, aside from "highly technical chemical distinctions" for all practical purposes, defendants' SE-100U is the equivalent of SS-91 insofar as they function in the glide. SE-100U resists a suddenly applied force and flows under a steadily applied force.

Despite the many seemingly plausible legal arguments advanced by the defendants to refute validity and infringement by them of the Blake patent, and to establish validity and infringement by plaintiffs of the Wasdell 894 patent, the court is convinced that the Blake patent is valid and infringed and the Wasdell patent is invalid and not infringed.

The court cannot ascribe to the prior art the clarity of revelation and anticipation which defendants accord it. Blake worked for many years to achieve his invention, and defendants worked several more years, after failing to procure a license under Blake, to construct a workable glide. If the prior art were as revealing as defendants claim, the experimentation should have been brief, or not at all necessary. The uniqueness of the application of bouncing putty to glides was attested by the vice president of General Electric Company writing on September 27, 1949, terming the combination an "ingenious idea."

The court is of the opinion that the shock absorber art is not analogous to that of glides. They were not aimed at serving the same function—that of the shock absorber, as its name states, was to take the brunt of sudden force. The glide is to make a level plane out of an uneven surface by automatic adjustment of the glides to compensate for the uneven surface. The only similarity would seem to be the use of containers in the form of a dash pot. The filling materials in the respective arts are entirely different, and serve different functions.

The court deems neither the relative strength of the springs nor their precise positions sufficient to absolve defendants from infringement, neither being of true significance in the patent combination but merely recom-

mended features in the device. Nor does the plaintiffs' leveler infringe the Wasdell patent, inasmuch as its filling material, SS-91, is not an unvulcanized elastomer and is not capable of being vulcanized into elastomeric form.

895 The court is of the opinion that the plaintiffs' interpretation is correct of the interrelation of the patent statute sections, 102(a) and (g), (e) and 119, as expounded in Application of Hans Hilmer, Gerhard Korger, Rudi Weyer and Walter Aumuller, 359 F.2d 859 (C.C.P.A. 1966), i.e., that the earlier foreign filing date does not entitle it to the standing of a prior art reference as of that date, but only as of the United States filing date.

The court has concluded to adopt the findings and conclusions submitted by Blake and Ever-Level Glides, Inc. as the court's findings. They are completely in accord with the court's review of the evidence. For the court to reformulate the findings would be sheer duplication of effort and a needless expenditure of the court's time (Heterochemical Corporation v. United States Rubber Company, 368 F.2d 169 (7th Cir. 1966)).

/s/ Edwin A. Robson,

January 19, 1967

901

UNITED STATES DISTRICT COURT

Name of Presiding Judge, Honorable Edwin A. Robson

Cause No. 62 C 694, 62 C 2112 Date February 13, 1967

Title of Cause Blake v. Bassick

Brief Statement of Motion—Motion to Amend Decision on Merits

Enter Order:

Granting Motion to The Bassick Company and Stewart-Warner Corporation to Amend the Decision on the Merits, there having been no intention to find wilful and wanton infringement nor to award treble damages and attorneys' fees, and the adoption on the plaintiffs' findings in respect thereto was inadvertent.

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FILED
JUN 12 1968
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No. 127

In the

Supreme Court of the United States

OCTOBER TERM, 1968

THE BASSICK COMPANY and
STEWART-WARNER CORPORATION,

Petitioners,

vs.

DAVID R. BLAKE and
EVER-LEVEL GLIDES, INC.,

Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

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IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1967

No. 1465

THE BASSICK COMPANY and
STEWART-WARNER CORPORATION,

Petitioners,

vs.

DAVID R. BLAKE and
EVER-LEVEL GLIDES, INC.,

Respondents.

RESPONDENTS' BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

Respondents submit that a writ of certiorari should not be issued for the purpose of reviewing the judgment of the United States Court of Appeals for the Seventh Circuit in its case No. 16213.

REASONS FOR DENYING THE WRIT

I. The Question Presented is One of Fact

It is clear from a consideration of the several restatements of the question presented by petitioners, as set forth on pages 2 and 3 of the Petition, that this Court is

being requested to consider and rule on a question of fact. Each repetitious rephrasing of the question presented by petitioners is conditioned on the alleged fact that Blake did make a misrepresentation regarding a material fact to the Patent Office in order to obtain the retroactive license for foreign filing.

The several restatements of the question presented by petitioners are set forth below with portions in italics to emphasize the essential question of fact on which the Petition is solely based:

> "Where an administrative agency of the United States government has taken the specific action sought in a petition *which contains a misrepresentation regarding a material fact,* is the administrative action valid nonetheless? Or should it be held void *upon proof of the misrepresentation* in a subsequent judicial proceeding?"
>
> "Where a license retroactively authorizing the filing of a foreign patent application has been granted by the Patent Office upon a sworn statement *which contains misrepresentations regarding a fact material to the Office's determination* as to whether the foreign application had been filed 'inadvertently' within the meaning of the applicable statute, is the retroactive license valid even so? Or, *upon proof of the misrepresentation,* should the license have been held void —and the U.S. patent corresponding to the foreign application also held invalid, as issued without the license required by the Patent Act?"

In attempting to frame a legal issue and fabricate grounds on which this Court might favorably consider the Petition, petitioners allege that a fundamental conflict exists between the decisions of the courts below and the statutes in question. The erroneous position taken by petitioners requires overlooking and ignoring that the

courts below both specifically found that no misrepresentations were made to the Patent Office. Under such circumstances there obviously can be no fundamental conflict as alleged by petitioners, as the question as presented is rendered moot in this case because there was no misrepresentation.

Accordingly, this Court's decisions in *Keystone Driller Co.* v. *General Excavator Co.* (1933), 290 U.S. 240, *Hazel-Atlas Glass Co.* v. *Hartford-Empire Co.* (1944), 322 U.S. 238, *Precision Instrument Manufacturing Co.* v. *Automotive Maintenance Machinery Co.* (1945), 324 U.S. 806 and *Walker Process Equipment, Inc.* v. *Food Machinery & Chemical Corp.* (1965), 382 U.S. 172, are not applicable in support of petitioners' position. In *Keystone Driller Co., supra,* the question considered by this Court was one of law, namely, the meaning and application of the equitable maxim of unclean hands. No question of fact was in dispute. This Court determined the question of whether the aforementioned maxim should apply in dismissing all causes of action set forth in the complaint, or merely those causes directly connected with the wrongful conduct.

In *Hazel-Atlas, supra,* the facts were not in dispute and the question was whether the federal courts have the power to set aside a judgment because of undisputed evidence of fraud in the procurement of the judgment, even though the term in which such judgment had been entered had expired.

In *Precision Instrument, supra,* the facts were not in dispute. The District Court had dismissed the complaint because of unclean hands and the Court of Appeals had reversed. There was conflict between the two courts on the question of when the maxim of unclean hands should be applied, such question being resolved by this Court.

In *Walker Process, supra,* the question was whether the maintenance and enforcement of a patent obtained by fraud on the Patent Office could be the basis for an action under the Sherman Act. The petitioner therein alleged fraudulent acts in a counterclaim, which counterclaim was dismissed without trial on the merits. As there had been no trial, this Court merely assumed the facts alleged to be true and answered the specific question of law presented. The case was reversed and remanded for trial.

II. The Fact Question was Considered and Resolved by Both the District Court and Court of Appeals

Contrary to conclusions drawn by petitioners, the Court of Appeals very thoroughly reviewed the facts of the case surrounding the alleged misrepresentations, and completely absolved Blake of this charge. The decision of the Court of Appeals as reprinted in the Petition consists of approximately seven printed pages, the dissent being directed solely to the unrelated issue raised on cross-appeal. Of the aforementioned seven pages approximately two pages are devoted exclusively to the charge of misrepresentation. Accordingly, it cannot be said that this issue was inadequately considered below, particularly in view of the fact that it was the primary issue raised by petitioners in support of their contention that the Blake patent was invalid.

While lengthy consideration of a particular issue is no substitute for quality of content and resolution, it is apparent that the Court of Appeals fully reviewed all of the evidence presented by petitioners during the trial and concluded that there was no reason to upset the District Court's conclusion that the retroactive license was valid. Thus, the Court of Appeals fully affirmed the findings of

the District Court and thoroughly disagreed with petitioners that alleged misrepresentations had been made by Blake.

As in *Graver Tank & Mfg. Co.* v. *Linde Air Products Co.* (1949), 336 U.S. 271, this Court has repeatedly held that its function is not to correct errors in fact finding in the absence of a very obvious and exceptional showing of error. Furthermore, this Court cannot review concurring findings of fact by two courts below in the absence of a very obvious and exceptional showing of error. Certainly petitioners have not presented a question to this Court involving a very obvious and exceptional showing of error.

Accordingly, it is respectfully requested that this Petition be denied.

Respectfully submitted,

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In the

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THE BASSICK COMPANY and
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DAVID R. BLAKE and
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Respondents.

PETITIONERS' REPLY BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

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IN THE

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PETITIONERS' REPLY BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

Upon reading respondents' brief, the Court will find one critically significant omission.

That omission relates to respondents' flat assertion "that the courts below both specifically found that no misrepresentations were made to the Patent Office" (Respondents' Brief, pp. 2-3).

Respondents do not cite any finding made by the District Court—or any statement contained in the Court of Appeals opinion—to support their assertion.

The reason for that omission is clear.

Neither the District Court nor the Court of Appeals found that Blake had **not** made a factual misrepresentation when he swore that the attorney who filed his U.S. application "did not know of" Blake's earlier British application.*

Indeed, neither court **could** have made such a finding, in the face of the express reference to the British application contained on the last page of the U.S. application prepared by Blake's U.S. attorney and reproduced at page 9 of the petition.

The substantial identity between the texts of the British and U.S. applications confirms what is conclusively proved by that express reference—i.e., that Blake's U.S. attorney **did** "know of" Blake's British application when he filed the corresponding U.S. application, and Blake lied when he swore to the Patent Office that his attorney did not have such knowledge.

The only ground on which respondents have resisted the granting of certiorari in this case is thus shown to be untenable.

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* The failure of both courts to make any such finding is discussed in detail at pages 15 through 19 of the petition for certiorari in this case.

Conclusion

Respondents do not deny that the legal issue raised by the petition for certiorari is one of broad public importance.

Petitioners believe the Court will agree that the question presented should be authoritatively resolved. They urgently request that certiorari be granted.

Respectfully submitted,

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